

## Tune Protect is off to a good start, achieving its highest quarterly Profit After Tax since the second quarter of 2016

**Tune Protect Group Berhad** ('Tune Protect' or 'the Group'; TUNEPRO, 5230) posted a Profit After Tax ('PAT') of RM20.1 million with Operating Revenue ('OR') of RM126.7 million and Gross Written Premiums ('GWP') of RM117.7 million for the first quarter of 2019 ('1Q2019').

The Group's PAT grew 10.4% year-on-year (YOY) registering its highest quarterly PAT vis-à-vis the last ten preceding quarters. GWP declined 31.3% YOY, a direct result of the portfolio restructuring exercise which is ongoing at its Malaysian General insurance subsidiary, Tune Protect Malaysia ('TPM').

TPM recorded a PAT and GWP of RM10.9 million and RM100.2 million respectively for the quarter, which equate to a 14.0% YOY growth and 35.4% YOY decline respectively. As part of its focus in delivering sustainable underwriting profit, TPM is gradually shifting its business focus towards retail, affinity and small medium industries (SMI), while concurrently managing its motor portfolio. While this move has inevitably impacted the Group's top line and earned premium, TPM is witnessing encouraging improvements in its loss ratio, including from favourable claims development.

The Group's reinsurance arm, Tune Protect Re ('TPR') recorded a higher quarterly PAT of RM12.5 million (up 4.2% YOY) as improvements in collections allowed for the reversal in impairments in line with accounting standards. GWP was down 20.7% YOY to RM23.1 million due to the lower retention of Malaysia travel business at TPR, with the benefit accruing to TPM having a higher retention.

The Group's share of results from Overseas Ventures was RM1.0 million translating into a 27.5% YOY growth. The increase in share of results was underpinned by the consistently strong performance of its Business-to-Business ('B2B') channel from its Tune Protect EMEA (Europe, Middle East, India and Africa) operations.

*"We are certainly moving in the right direction having achieved a strong quarter as we start to see the positive results of our business and operational efficiency efforts of Y2018. While we recognise that GWP is lower for the quarter, we are also cognisant of the fact that our top line is mostly attributable to our preferred lines of business, and this is most important."*  
said **Khoo Ai Lin ('Ai Lin')**, Chief Executive Officer of Tune Protect.

Executing and delivering on the Group's four key transformation pillars will be critical in driving Tune Protect's future performance and ultimately realising its vision of becoming a leading digital insurer. The Group is already observing traction in each of the respective pillars since Ai Lin first introduced **GAIN** (Global business, AirAsia ecosystem, Insurtech capabilities and National business) in February 2019.

**GLOBAL BUSINESS**

In February 2019, Tune Protect signed a Memorandum of Agreement ('MoA') with PT Asuransi Buana Independent ('ABI') and the Association of Indonesian Tours and Travel Agencies ('ASITA') East Java. This MoA bestows Tune Protect the exclusive rights to provide digital travel protection for ASITA East Java. With Indonesia being one of the world's largest and most vibrant domestic market, Tune Protect seeks to position itself as a leading digital insurer by securing strategic partnerships locally and providing travellers in Indonesia with exceptional travel experience. Tune Protect is currently working on forming similar tie ups with the other ASITA chapters in other parts of Indonesia, and targets to gain entry into Indochina next.

**AIRASIA ECOSYSTEM**

The Group's Dynamic Pricing optimisation initiative has started to yield positive results since going live in several key markets. Post the integration and stabilisation phase, real time optimisation of Travel insurance on AirAsia's booking platform commenced on a staggered basis in Indonesia, Thailand, Singapore and Malaysia, in March 2019. While it is still early days, preliminary results have been encouraging as Indonesia, Thailand and Singapore had collectively achieved an incremental revenue of 21% in slightly less than a month, placing Tune Protect in good stead towards achieving its overall full year incremental revenue target of 4%.

**INSURTECH CAPABILITIES**

Tune Protect continues to forge ahead in the insurtech space, having recently completed the first phase of an internally developed turnkey digital insurance enabling platform termed "Rocketship". Amongst others, this phase boasts a mobile application development feature which can be customised and deployed to interested business partners, so they need not have to build their own mobile apps from scratch. In addition to Rocketship, Tune Protect's Travel platform has also opened doors to new business opportunities. The Travel business generated from the ABI and ASITA strategic partnership is powered by Tune Protect's scalable Travel platform, so B2B Travel agents of the East Java ASITA chapter can promote and distribute Travel insurance leveraging on this engine.

**NATIONAL BUSINESS**

The national or Malaysia business agenda in 2019 will continue to center around portfolio stabilisation and achieving sustainable underwriting profit. The plan is to manage the motor : non motor portfolio mix to a healthy 30% : 70% ratio spurred by the increase in business from the non-motor segment particularly from the retail accident and health, foreign workers and SMI space.

Tasked with driving the national business agenda is William Foo who was appointed the Chief Executive Officer of TPM in May 2019. William brings with him more than twenty-five years of experience and a solid track record having served in various roles within the general insurance industry.

## Forging Forward

The insurance industry, while at the brink of evolution, is also feeling the pressure to adapt to digitisation and technology. Not only does Tune Protect want to stay relevant, but it also aspires to be at the forefront of innovation and emerge as a strong player in the retail insurance and insurtech space in ASEAN and beyond.

*"We are in the final stages of closing a digital partnership in Indochina, which will give rise to our first source of revenue generated from insurtech solutions. By focusing on each of our transformational pillars and leveraging insurtech, we shall go beyond airlines, beyond travel insurance and beyond conventional insurance."* Ai Lin concluded.

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### **About Tune Protect Group Berhad**

Tune Protect Group Berhad ("Tune Protect" or "The Group") is a financial holding company listed on the main market of Bursa Malaysia. As a leading digital insurer in the region and with the tagline 'Protection Made Easy', Tune Protect offers affordable, yet comprehensive protection plans to suit individual and corporate needs. Tune Protect has established a strong foothold in the travel, retail and digital insurance space globally with presence across more than 45 countries through its own general insurance and reinsurance arms, as well as via strategic partnerships with local underwriters in these markets. The Group also has a strong focus to move beyond insurance by embracing insurtech and introducing differentiated product solutions such as on-demand products as part of its diversified portfolio.

For more information on Tune Protect Group, visit their website at <https://www.tuneprotect.com/>

This press release is issued by Tune Protect Group Berhad. For interview opportunities or more information, please contact via email, call, text or WhatsApp:

### **Tune Protect Group Berhad, Media Liaison**

Koot Chiew Ling, Chief – Corporate Development & Investor Relations  
Phone: +6012 2056 6216; +6012 200 9198  
E-mail: [chiewling.koot@tuneprotect.com](mailto:chiewling.koot@tuneprotect.com); [media@tuneprotect.com](mailto:media@tuneprotect.com)

